

**BLUE GRASS ENERGY
COOPERATIVE CORPORATION**

For Entire Territory Served
P.S.C. KY No. 1
Original SHEET NO 1
CANCELLING P.S.C.NO.
SHEET NO.

RULES AND REGULATIONS

(1) SCOPE

This schedule of Rules and Regulations is hereby made a part of all contracts for electric service received from Blue Grass Energy Cooperative Corporation, hereinafter referred to as Blue Grass Energy, and applies to all service received, whether such service is based upon a contract, agreement, signed application, or otherwise. No employee or director of Blue Grass Energy is permitted to make an exception to rates and rules. Regulations are on file at the Blue Grass Energy offices and can be obtained there from personnel. All Rules and Regulations shall be in effect so long as they do not conflict with Public Service Commission Rules and Regulations.

(2) REVISIONS

These Rules and Regulations may be revised, amended, supplemented, or otherwise changed from time to time after approval by Blue Grass Energy's Board of Directors and the Public Service Commission. Such changes, when effective, shall have the same force as the present Rules and Regulations.

(3) SERVICE AREA

Blue Grass Energy furnishes electric power in portions of Anderson, Fayette, Franklin, Garrard, Henry, Jackson, Jessamine, Madison, Mercer, Shelby, Spencer, Washington, Woodford, Harrison, Bourbon, Pendleton, Nicholas, Bracken, Scott, Robertson, and Grant Counties.

(4) AVAILABILITY

Available to all members of Blue Grass Energy as specified in the tariff sheets and classifications of service.

(5) AVAILABILITY OF SERVICE TO DELINQUENT MEMBERS

If an application is received by a person residing with a delinquent member at the premises where power was supplied to the delinquent member, the application will be denied on the grounds that the applicant is applying as the agent of the delinquent member.

DATE OF ISSUE: January 1, 2002

DATE EFFECTIVE: Jan 1

ISSUED BY: [Signature]

Dan Brewer, President and CEO

ADDRESS: P. O. Box 990, Nicholasville KY 40340-0990

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH
<u>Brent Kirtley</u> DIRECTIVE
1/1/2002
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)